

ORDINANCE NO. 2019-18

FILED

AN ORDINANCE PROVIDING FOR THE LEVY OF A ONE AND ONE-FOURTH PERCENT (1.25%) SALES AND USE TAX WITHIN THE CITY OF CAVE SPRINGS, ARKANSAS TO PAY AND SECURE THE REPAYMENT OF BONDS ISSUED TO FINANCE CAPITAL IMPROVEMENTS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

2019-10 PM 2:41
JESSY HARRELL
CLERK
CLAY COUNTY, AR

WHEREAS, the City Council of the City of Cave Springs, Arkansas (the "City") has determined that there is a great need for a source of revenue to pay and secure the repayment of bonds approved by the voters and issued by the City to finance capital improvements; and

WHEREAS, Title 26, Chapter 75, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") provides for the levy of city-wide sales and use taxes at the rate of 0.125%, 0.25%, 0.5%, 0.75% or 1%, or any combination thereof; and

WHEREAS, the City is currently levying a 1% sales and use tax under the authority of the Authorizing Legislation; and

WHEREAS, the City Council has proposed the levy of a one and one-fourth percent (1.25%) city-wide sales and use tax under the authority of the Authorizing Legislation;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Cave Springs, Arkansas:

Section 1. Under the authority of the Authorizing Legislation, there is hereby levied a new one and one-fourth percent (1.25%) tax on the gross receipts from the sale at retail within the City of all items which are subject to the Arkansas Gross Receipts Act of 1941, as amended (A.C.A. §§26-52-101, et seq.), and the imposition of a new excise (or use) tax on the storage, use, distribution or other consumption within the City of tangible personal property subject to the Arkansas Compensating Tax Act of 1949, as amended (A.C.A. §§26-53-101, et seq.), at a rate of one and one-fourth percent (1.25%) of the sale price of the property or, in the case of leases or rentals, of the lease or rental price (collectively, the "Sales and Use Tax"). The Sales and Use Tax shall be levied and collected on the gross receipts, gross proceeds or sales price in the maximum amount allowed from time to time under Arkansas law, subject to rebates and limitations as required for certain single transactions as from time to time required by Arkansas statutes.

Section 2. The Sales and Use Tax shall be levied, and the net collections received after deduction of the administrative charges of the State of Arkansas and required rebates shall be used by the City to pay and secure the repayment of bonds approved by the voters and issued by the City to finance capital improvements; provided, however, that any amounts not necessary to fully retire any bonds may be used for any lawful municipal purpose.

Section 3. The Sales and Use Tax shall expire on the first date on which the Sales and Use Tax can be administratively removed when (a) there are sufficient funds to pay in full any outstanding bonds secured by a pledge of collections of the Sales and Use Tax and (b) the City Council determines that the purposes of the Sales and Use Tax cannot be or cannot continue to be fulfilled because no additional bonds secured by a pledge of collections of the Sales and Use Tax will be issued in the future.

Section 4. All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This Ordinance shall not take effect until an election is held on the question of levying the Sales and Use Tax at which a majority of the electors voting on the question shall have approved (a) the levy of the Sales and Use Tax and (b) an issue of bonds secured by a pledge of collections of the Sales and Use Tax.

PASSED: September 9, 2019.

ATTEST:

Kimberly Hutcherson
City Recorder-Treasurer

(SEAL)



APPROVED:

Randall J. Noble
Mayor

FILED FOR RECORD
AT 2:06 O'CLOCK P.M.

SEP 10, 2019

CITY OF CAVE SPRINGS, AR
CITY CLERK

ORDINANCE NO. 2019-20

FILED

2019 SEP 10 PM 2:42

AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF CAVE SPRINGS, ARKANSAS ON THE QUESTIONS OF ISSUING BONDS UNDER AMENDMENT NO. 62 TO THE CONSTITUTION OF THE STATE OF ARKANSAS FOR THE PURPOSE OF FINANCING ALL OR A PORTION OF THE COSTS OF CAPITAL IMPROVEMENTS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the City Council of the City of Cave Springs, Arkansas (the "City") has determined that the City is in need of the following capital improvements:

- (1) facility improvements for the fire department, including particularly, without limitation, a new fire station and any necessary land acquisition, furnishings and equipment and parking, lighting, road and utility improvements related thereto (the "Fire Improvements");
- (2) renovations and improvements to the Cave Springs Community Building and related structures and parking, furnishings and equipment related thereto (the "Community Building Improvements");
- (3) extensions, betterments and improvements to the City's water system (the "Water Improvements"); and
- (4) extensions, betterments and improvements to the City's sewer system (the "Sewer Improvements"); and

WHEREAS, the City Council proposes to finance all or a portion of the costs of the Fire Improvements, the Community Building Improvements, the Water Improvements and the Sewer Improvements by the issuance of capital improvement bonds (the "Bonds") under the authority of Amendment No. 62 to the Constitution of the State of Arkansas ("Amendment 62") and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") allocated as follows: (1) \$2,200,000 in maximum principal amount for the Fire Improvements; (2) \$675,000 in maximum principal amount for the Community Building Improvements; (3) \$2,000,000 in maximum principal amount for the Water Improvements; and (4) \$3,300,000 in maximum principal amount for the Sewer Improvements; and

WHEREAS, the City Council proposes to retire the Bonds with collections of a 1.25% sales and use tax levied within the City by Ordinance No. 2019-18, adopted September 9, 2019, if such sales and use tax is approved by the voters (the "Tax"); and

WHEREAS, the purpose of this Ordinance is to submit to the electors of the City the questions of issuing the Bonds for the Fire Improvements, the Community Building Improvements, the Water Improvements and the Sewer Improvements, at a special election to be called for that purpose;

FILED

2019 SEP 10 PM 2:42

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Cave Springs,
Arkansas:

Section 1. There is hereby called a special election to be held on November 12, 2019, at which election there shall be submitted to the electors of the City the questions of issuing the Bonds under Amendment 62 and the Authorizing Legislation to finance all or a portion of the costs of accomplishing the Fire Improvements, the Community Building Improvement, the Water Improvements and the Sewer Improvements, in the maximum principal amounts described above, to be secured as described above.

Section 2. The questions of issuing the Bonds shall be placed on the ballot for the election in substantially the following form:

SEWER IMPROVEMENT BONDS

Bonds of the City of Cave Springs in the maximum aggregate principal amount of \$3,300,000 for the purpose of financing all or a portion of the costs of extensions, betterments and improvements to the City's sewer system and, in order to pay the bonds, the pledge of a 1.25% local sales and use tax levied within the City by Ordinance No. 2019-18, adopted September 9, 2019.

FOR..... ☐

AGAINST ☐

WATER IMPROVEMENT BONDS

Bonds of the City of Cave Springs in the maximum aggregate principal amount of \$2,100,000 for the purpose of financing all or a portion of the costs of, extensions, betterments and improvements to the City's water system and, in order to pay the bonds, the pledge of a 1.25% local sales and use tax levied within the City by Ordinance No. 2019-18, adopted September 9, 2019.

FOR..... ☐

AGAINST ☐

FIRE IMPROVEMENT BONDS

Bonds of the City of Cave Springs in the maximum aggregate principal amount of \$2,200,000 for the purpose of financing all or a portion of the costs of facility improvements for the fire department, including particularly, without limitation, a new fire station and any necessary land acquisition, furnishings and equipment and

parking, lighting, road and utility improvements related thereto and, in order to pay the bonds, the pledge of a 1.25% local sales and use tax levied within the City by Ordinance No. 2019-18, adopted September 9, 2019.

FILED

2019 SEP 10 PM 2:42

BETSY HARPELL
CO. & PROBATE CLERK
BENTON COUNTY, AR

FOR..... ☐

AGAINST ☐

COMMUNITY BUILDING IMPROVEMENT BONDS

Bonds of the City of Cave Springs in the maximum aggregate principal amount of \$675,000 for the purpose of financing all or a portion of the costs of renovations and improvements to the Cave Springs Community Building and related structures and parking, furnishings and equipment related thereto and, in order to pay the bonds, the pledge of a 1.25% local sales and use tax levied within the City by Ordinance No. 2019-18, adopted September 9, 2019.

FOR..... ☐

AGAINST ☐

Section 3. The election shall be held and conducted and the vote canvassed and the results declared under the law and in the manner now provided for municipal elections unless otherwise provided in the Authorizing Legislation and only qualified voters of the City shall have the right to vote at the election.

Section 4. The results of the election shall be proclaimed by the Mayor, and the Proclamation shall be published one time in a newspaper having a general circulation in the City, which Proclamation shall advise that the results as proclaimed shall be conclusive unless attacked in the courts within thirty days after the date of publication.

Section 5. A copy of this Ordinance shall be (a) filed with the Benton County Clerk at least 60 days prior to the election date and (b) given to the Benton County Board of Election Commissioners so that the necessary election officials and supplies may be provided.

Section 6. The Mayor and City Recorder-Treasurer, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to call and hold the special election as herein provided and to perform all acts of whatever nature necessary to carry out the authority conferred by this Ordinance.

Section 7. If any Bonds are approved and issued, the City intends to negotiate with Stephens Inc., which has assisted the City in preparation of the Bond size and repayment structure, for the sale of the Bonds.

Section 8. All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

ORDINANCE NO. 2019-19

FILED

AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF CAVE SPRINGS, ARKANSAS ON THE QUESTION OF LEVYING A ONE AND ONE-FOURTH PERCENT (1.25%) SALES AND USE TAX WITHIN THE CITY OF CAVE SPRINGS, ARKANSAS TO PAY AND SECURE THE REPAYMENT OF BONDS ISSUED TO FINANCE CAPITAL IMPROVEMENTS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

SEP 10 PM 2:41
BETTY HARRELL
CLERK
CLAY COUNTY, AR

WHEREAS, the City Council of the City of Cave Springs, Arkansas (the "City") has passed on September 9, 2019, Ordinance No. 2019-18 providing for the levy of a new one and one-fourth percent (1.25%) sales and use tax within the City (the "Sales and Use Tax") to pay and secure the repayment of bonds approved by the voters and issued by the City to finance capital improvements; and

WHEREAS, the purpose of this Ordinance is to call a special election on the question of the levy of the Sales and Use Tax;

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Cave Springs, Arkansas:

Section 1. There is hereby called a special election to be held on November 12, 2019, at which election there shall be submitted to the electors of the City the question of the levy of the Sales and Use Tax.

Section 2. The question of levying the Sales and Use Tax shall be placed on the ballot for the election in substantially the following form:

1.25% SALES AND USE TAX

Adoption of a new 1.25% local sales and use tax within the City of Cave Springs, Arkansas, the net collections of which remaining after deduction of the administrative charges of the State of Arkansas and required rebates (the "Net Collections") will be used to pay and secure the repayment of bonds approved by the voters and issued by the City to finance capital improvements.

The Net Collections shall be used as set forth above; provided that any amounts not necessary to pay in full the bonds may be used for any lawful municipal purpose. The tax shall expire on the first date on which the tax can be administratively removed when (a) there are sufficient funds to pay in full any outstanding bonds secured by a pledge of collections of the tax and (b) the City Council determines that the purposes of the tax cannot be or cannot continue to be fulfilled because no additional bonds secured by a pledge of collections of the tax will be issued in the future.

FOR.....
AGAINST.....

FILED

2019 SEP 10 PM 2:42

Section 3. The election shall be held and conducted and the vote canvassed and the results declared under the law and in the manner now provided for municipal elections unless otherwise provided in Title 26, Chapter 75, Subchapter 2 of the Arkansas Code of 1987 Annotated and only qualified voters of the City shall have the right to vote at the election.

Section 4. The results of the election shall be proclaimed by the Mayor, and his Proclamation shall be published one time in a newspaper having a general circulation in the City, which Proclamation shall advise that the results as proclaimed shall be conclusive unless attacked in the courts within thirty days after the date of publication.

Section 5. A copy of this Ordinance shall be (a) filed with the Benton County Clerk at least 60 days prior to the election date and (b) given to the Benton County Board of Election Commissioners so that the necessary election officials and supplies may be provided. A certified copy of this Ordinance shall also be provided to the Commissioner of Revenues of the State of Arkansas as soon as practical.

Section 6. The Mayor and City Recorder-Treasurer, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to call and hold the special election as herein provided and to perform all acts of whatever nature necessary to carry out the authority conferred by this Ordinance.

Section 7. All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: September 9, 2019.

ATTEST:

Kimberly Hutcherson
City Recorder-Treasurer

APPROVED:

Randall F. Pollett
Mayor

(SEAL)



FILED FOR RECORD
AT 2:08 O'CLOCK P.M.

SEP 10 2019
CITY OF CAVE SPRINGS, AR
CITY CLERK